



PATRICIA S. PLOEHN, LCSW  
Director

**County of Los Angeles  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES**

425 Shatto Place, Los Angeles, California 90020  
(213) 351-5602

November 10, 2009

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

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Fifth District

**REVISED**

Dear Supervisors:

**REQUEST TO APPROVE MASTER CONTRACT FOR INTENSIVE TREATMENT  
FOSTER CARE FOSTER FAMILY AGENCY AND INTENSIVE TREATMENT  
FOSTER CARE – MULTIDIMENSIONAL TREATMENT FOSTER CARE FOSTER  
FAMILY AGENCY SERVICES  
(ALL DISTRICTS) (3 VOTES)**

**SUBJECT**

This is to request your Board's approval of the Master Contract and to authorize the Director of the Department of Children and Family Services (DCFS) to execute 9 Contracts with qualified licensed non-profit agencies for the provision of Intensive Treatment Foster Care Foster Family Agency (ITFC FFA) services and to execute 4 Contracts with qualified licensed non-profit agencies for the provision of Intensive Treatment Foster Care – Multidimensional Treatment Foster Care Foster Family Agency (ITFC-MTFC FFA) services, effective December 1, 2009, or date of execution, whichever is later, through November 30, 2010, with an option to extend for one additional year and ten-month period through September 30, 2012, at a cost not to exceed \$30,132,432 for the ITFC FFA contracts and \$10,957,248 for the ITFC-MTFC FFA contracts.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve use of a Master Contract in similar form to Attachment I, for the provision of ITFC FFA services or ITFC-MTFC FFA services to emotionally/behaviorally disturbed children or adolescents. The term of ITFC FFA and ITFC-MTFC FFA Contracts are effective December 1, 2009, or date of execution, whichever is later, through November 30, 2010, with the option to extend for one additional year and ten-month period through September 30, 2012, by written notification to the ITFC FFA and ITFC-MTFC FFA providers. Execution of the ITFC FFA and ITFC-MTFC

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FFA Contracts, amendments, or written notifications for extensions would occur throughout the term of affected ITFC FFA and ITFC-MTFC FFA Contracts, including a period not to exceed six (6) months by written notification beyond the then current expiration date, if such additional time is necessary to complete the solicitation or negotiation of a new Contract. DCFS shall notify your Board and the Chief Executive Officer (CEO), in writing, within ten workdays of execution of the ITFC FFA or ITFC-MTFC FFA Contracts, the written notifications to providers, or the execution of amendments. The estimated placement costs for the ITFC FFA program for December 1, 2009 through November 30, 2010, and for an optional additional year and ten-month period through September 30, 2012, will not exceed \$30,132,432. The estimated placement costs for the ITFC-MTFC FFA program for December 1, 2009 through November 30, 2010, and for an optional additional year and ten-month period through September 30, 2012, will not exceed \$10,957,248. The placement rate costs will be covered within the Title IV-E Waiver capped allocation.

2. Delegate authority to the Director of DCFS or her designee to execute 9 ITFC FFA Contracts with the qualified licensed non-profit organizations listed on Attachment II and 4 ITFC-MTFC FFA Contracts with the qualified licensed non-profit FFA organizations, listed on Attachment III, that currently have a FFA contract with DCFS and an executed Legal Entity (LE) Agreement and/or Mental Health Services Act (MHSA) Master Agreement with the County of Los Angeles Department of Mental Health (DMH).
3. Delegate authority to the Director of DCFS, or designee, to execute future ITFC FFA and ITFC-MTFC FFA Contracts with qualified FFA organizations that have completed this or a similar Request for Statement of Qualifications (RFSQ) process either through a DCFS or DMH RFSQ/ Request for Services (RFS) process, or a negotiated contract solicitation process throughout the term of this ITFC FFA Master Contract, and who have resolved all audit findings related to any County contracts, resolution would include approved repayment plans and/or corrective action plans by and between County and Contractor, after County Counsel and CEO approval; and instruct DCFS to notify your Board and the CEO, in writing, within ten (10) days of execution of the Contracts.
4. Delegate authority to the Director of DCFS, or designee, to execute ITFC FFA and ITFC-MTFC FFA amendments to ITFC FFA Master Contracts in instances of acquisitions, mergers, or other changes in ownership, after County Counsel and CEO approval prior to execution, and instruct DCFS to notify your Board and the CEO, in writing, within ten (10) workdays of executing the amendments.



5. Delegate authority to the Director of DCFS, or designee, to terminate ITFC FFA and ITFC-MTFC FFA Contracts for Contractor's Default or Convenience, in instances when a Contractor no longer has a California Department of Social Services (CDSS) Community Care Licensing Division (CCLD) FFA facility license, and/or termination of the FFA Aid to Families with Dependent Children-Foster Care (AFDC-FC) Rate and/or ITFC Rate Classification Letter issued by the CDSS Funding and Rates Bureau, after CEO approval, and instruct DCFS to notify your Board and the CEO, in writing, within ten (10) workdays of termination.
6. Delegate authority to the Director of DCFS, or designee, to execute amendments to an ITFC FFA Master Contract, to incorporate additions or changes to the Statement of Work (SOWs), as mandated by Federal, State, County, or Municipal laws, regulations, or court orders, after County Counsel and CEO approval prior to execution, and instruct DCFS to notify your Board and the CEO, in writing, within ten (10) workdays of executing the amendments.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is to enhance the delivery of services to children who meet the Welfare and Institutions Code (WIC) definition of children who are emotionally/behaviorally disturbed, to provide a more family-like setting for children who would otherwise be placed in institutional settings, and to increase the number of available ITFC FFA beds and ITFC-MTFC FFA beds countywide.

ITFC FFA and ITFC-MTFC FFA contracted program services include, but are not limited to the following: intensively trained, monitored, and supported foster parents; crisis prevention and intervention; 24-hour emergency response; in-home support counselors (for ITFC FFA only); respite care; psychiatric intervention as needed for psychiatric emergencies; trained staff capable of handling procedure and approaches for responding to suicide attempts, runaways, sexual acting out and violent or assaultive behavior; psychiatric care [provided by a licensed psychiatric provider or by a provider who is approved by DMH]; continuity of care; family reunification; permanence; community-based services; and cooperative arrangements with other foster care resources.

Without approval of the recommended actions, ITFC FFA and ITFC-MTFC FFA services would not be delivered to emotionally/behaviorally disturbed children and the County would be in violation of the Katie A court order.

### Implementation of Strategic Plan Goals

The recommended actions are consistent with the principles of the Countywide Strategic Plan (CSP), Goal #1 - Operational Effectiveness, to ensure that service delivery systems are efficient, effective and goal oriented, by authorizing DCFS to: (a) execute ITFC FFA and ITFC-MTFC FFA Contracts (b) process certain amendments regarding acquisitions, mergers, and other changes of ownership, (c) exercise the renewal options to extend the existing Contracts by written notification, (d) terminate Contractors for Contractor's Default or Convenience in instances when the FFA and/or ITFC-FFA facility license and/or AFDC-FC payment rate have been revoked or terminated, and the Contractor is no longer eligible for payment with AFDC-FC funds, and (e) incorporate additions to or changes to the SOWs as mandated by changes in existing law.

In addition, the recommended actions are consistent with the principles of the Countywide Strategic Plan Goal #2 – Children, Family and Adult Well-Being. The recommended actions will enable DCFS to work collaboratively with ITFC FFAs and ITFC-MTFC FFAs to provide much needed specialized services to children and/or adolescents under its supervision who need intensive treatment and specialized care.

### FISCAL IMPACT/FINANCING

The total estimated placement cost for the ITFC FFA contracts will not exceed \$30,132,432 for two years and ten months. In addition, DCFS will reimburse DMH the estimated amount of \$849,150, which is the 6.81 percent Early Periodic Screening, Diagnosis and Treatment (EPSDT) local match for the \$12,469,000 in mental health services that will be contracted by DMH. The estimated placement costs for the ITFC-MTFC FFA contracts will not exceed \$10,957,248 for two years and ten months. In addition, DCFS will reimburse DMH the estimated amount of \$308,782, which is the 6.81 percent EPSDT local match for the \$4,534,000 in mental health services that will be contracted by DMH. The ITFC FFA and ITFC-MTFC FFA placement rate cost will be funded at 36 percent Federal (ITFC FFA - \$10,846,598 and ITFC-MTFC FFA - \$3,944,218), 33 percent State (ITFC FFA - \$9,942,715 and ITFC-MTFC FFA - \$3,615,533), and 31 percent net County cost (NCC) (ITFC FFA - \$9,340,126 and ITFC-MTFC FFA - \$3,396,410) utilizing the Title IV-E Waiver capped allocation. The ITFC FFA and ITFC-MTFC FFA EPSDT local match (\$1,157,932) will be financed using 100 percent NCC. The total FY 2009-10 cost of the contract is included in the FY 2009-10 Final Adopted Budget.



## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

In 2002, a class action lawsuit ("Katie A") was filed against the State of California and the County alleging that children in contact with the County's foster care system were not receiving the mental health services to which they were entitled. In July 2003, the County entered into a Katie A. settlement agreement (Agreement) to make a number of systematic improvements to better serve children with mental health needs, resolving the County-portion of the lawsuit. In November 2006, Judge Howard Matz issued a court order to compel the County to comply with the obligations of the Agreement, which instructed the County to provide class members with not fewer than 300 Treatment Foster Care (TFC) placement slots by January 1, 2008.

DMH released a MHSA RFSQ in November 2005 and a RFS #2 on June 30, 2006 for SPAs 1, 6, and 7. Due to the lack of responses to the RFS #2 and the need to have additional ITFC-MTFC FFA beds in SPA 1 to comply with the Katie A Settlement, DMH approached Penny Lane Centers located in SPA 1 to determine if they wish to develop beds for ITFC-MTFC FFA services. Penny Lane Centers agreed to develop up to 20 ITFC-MTFC FFA beds.

DMH cannot award an ITFC FFA or ITFC-MTFC FFA contract because they are not authorized to claim for FFA placement services cost; only DCFS is allowed to claim for FFA placement services.

On November 20, 2007, your Board approved a Form Contract and approved DCFS to procure by negotiation with three (3) ITFC FFAs and two (2) ITFC-MTFC FFAs to provide ITFC FFA and ITFC-MTFC FFA services to emotionally disturbed children, pursuant to SB 969, Chapter 832. Your Board's approval on December 4, 2007 was for the development of up to 80 ITFC-MTFC FFA and up to 72 ITFC FFA placement slots. On October 20, 2008, the California Department of Social Services (CDSS) amended its October 26, 2007 ITFC FFA rate letter to include one additional provider (Penny Lane Centers) to provide ITFC-MTFC FFA services. On March 31, 2009, your Board approved Procurement by Negotiation with Penny Lane Centers to assist in the development of the 80 placement beds and to increase the number of available ITFC-MTFC beds in SPA 1.

DCFS received approval from the CDSS to procure these specialized ITFC FFA and ITFC-MTFC FFA program services; however, execution is contingent upon CDSS' approval of each agency's Program Statement.

DCFS will ensure that these organizations have current insurance coverage prior to contract execution. These qualified licensed non-profit FFA organizations currently

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have a FFA Contract with DCFS and an executed LE Agreement and/or MHSA Master Agreement with DMH.

The contract expressly states that the County has no obligation to pay for expenditures beyond the contract amount. Further, the contractor will not be asked to perform services that exceed the contract amount, scope of work, or contract terms.

DCFS has determined that the Living Wage program (County Code Chapter 2.201) does not apply to the recommended contracts.

The ITFC FFA and ITFC-MTFC FFA Master Contract complies with all applicable Board, CEO, and legal requirements. The following provisions are modified from standard Board required language and tailored for out-of-home placement services contracts. These provisions were previously approved by your Board and incorporated in the current ITFC FFA and ITFC-MTFC FFA Contracts: 1) General Insurance Requirements; 2) Insurance Coverage requirements; 3) Contract Enforcement, Out-of-Home Care Management, Monitoring and Review; 4) Limitation of County's Obligation Due to Non-Appropriation of Funds; 5) Termination of Contract by Contractor for Convenience; 6) Mutual Indemnification; 7) Consideration of Hiring County Employees Targeted for Layoff or on Reemployment List.

The CEO and County Counsel have reviewed this Board letter. The Master Contract has been approved as to form by County Counsel.

### **CONTRACTING PROCESS**

On March 5, 2009, DCFS requested approval from the State to utilize the lists from the Request for Statement of Qualifications and subsequent Request for Service #2 completed by DMH in order to award ITFC FFA and ITFC-MTFC FFA contracts. (Attachment IV)

On April 22, 2009, the State approved DCFS' request to utilize DMH's Request for Statement of Qualifications and subsequent Request for Service Number 2 for the purpose of awarding ITFC FFA and ITFC-MTFC FFA contracts. (Attachment V)

DCFS will pay each ITFC FFA and ITFC-MTFC FFA the State approved rate of \$4,028 per child. DMH contracts with these providers for EPSDT funded mental health services.

**IMPACT ON CURRENT SERVICES**

Currently, the resources needed for foster children who are emotionally/behaviorally disturbed are limited to group homes and institutional settings. The use of ITFC FFA and ITFC-MTFC FFA homes will allow the placement of these children in a family-like setting and less restrictive environment. Further, the County does not have sufficient placement alternatives for children with those symptoms that the target population exhibits.



**CONCLUSION**

Upon approval of this request, instruct the Executive Officer/Clerk of the Board to send an adopted stamped copy of this Board letter and attachments to:

1. Department of Children and Family Services  
Contracts Administration  
Attention: Contracts Manager  
425 Shatto Place, Room 400  
Los Angeles, CA 90020
2. Office of the County Counsel  
Attention: Jill Jones, Deputy County Counsel  
648 Kenneth Hahn Hall of Administration  
500 West Temple, Room 602  
Los Angeles, CA 90012
3. Department of Mental Health  
Attention: Marvin Southard, Director  
550 S. Vermont Avenue  
Los Angeles, CA 90020

Respectfully submitted,



PATRICIA S. PLOEHN, LCSW  
Director

PSP:RML:fc

Attachments (5)

c: Chief Executive Office  
Acting County Counsel  
Executive Officer, Board of Supervisor